MONTANA LEGISLATIVE HISTORY

Chapter 318 19 93

Bill H 421 S _____ Original bill & history ✓ C

H. Committee on Taxation			S. Committee on Local Government		
Hearing Date(s) p. Feb 11	✓	C	Hearing Date(s) Mar 23	✓	C
p. Feb 18	✓	C	_____		C
_____		C	_____		C
_____		C	_____		C
Date Out Feb 18	✓	C	Mar 24	✓	C

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

	RETURNED TO HOUSE WITH AMENDMENTS		
4/06	2ND READING AMENDMENTS CONCURRED	97	0
4/12	3RD READING AMENDMENTS CONCURRED	91	9
4/19	SIGNED BY SPEAKER		
4/20	SIGNED BY PRESIDENT		
4/21	TRANSMITTED TO GOVERNOR		
4/24	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 509		
	EFFECTIVE DATE: 10/01/93		

HB 420 INTRODUCED BY HARPER, ET AL.

PRESERVE WATER RESERVATIONS; PROHIBIT CERTAIN CONDITIONS

2/01	INTRODUCED		
2/01	REFERRED TO NATURAL RESOURCES		
2/01	FIRST READING		
2/08	HEARING		
2/12	COMMITTEE REPORT—BILL NOT PASSED		
2/15	MOTION FAILED TO REJECT ADVERSE COMMITTEE REPORT AND PLACE ON 2ND READING	46	51
2/15	ADVERSE COMMITTEE REPORT ADOPTED	51	46

HB 421 INTRODUCED BY STRIZICH, ET AL.

ALLOW COUNTY PUBLIC SAFETY PROPERTY TAX LEVY

2/01	INTRODUCED		
2/01	REFERRED TO TAXATION		
2/01	FIRST READING		
2/11	HEARING		
2/23	COMMITTEE REPORT—BILL PASSED AS AMENDED		
3/02	2ND READING PASSED	58	41
3/05	3RD READING PASSED	52	48
	TRANSMITTED TO SENATE		
3/08	FIRST READING		
3/08	REFERRED TO LOCAL GOVERNMENT		
3/23	HEARING		
3/24	COMMITTEE REPORT—BILL CONCURRED		
3/27	2ND READING CONCURRED	30	17
3/29	3RD READING CONCURRED	30	18
	RETURNED TO HOUSE		
4/06	SIGNED BY SPEAKER		
4/07	SIGNED BY PRESIDENT		
4/08	TRANSMITTED TO GOVERNOR		
4/12	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 318		
	EFFECTIVE DATE: 07/01/93		

HB 422 INTRODUCED BY LARSON, ET AL.

ESTABLISH STANDARDS FOR ADOPTION OF RULES GOVERNING MOBILE HOME PARKS

2/02	INTRODUCED		
2/02	REFERRED TO BUSINESS & ECONOMIC DEVELOPMENT		
2/02	FIRST READING		
2/05	HEARING		
2/15	TABLED IN COMMITTEE		
2/19	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/20	2ND READING PASSED	94	2
2/23	3RD READING PASSED	91	9

HOUSE BILL NO. 421

INTRODUCED BY STRIZICH, DOHERTY, MCCULLOCH

IN THE HOUSE

FEBRUARY 1, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
FEBRUARY 23, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 2, 1993	PRINTING REPORT.
	SECOND READING, DO PASS.
MARCH 3, 1993	ENGROSSING REPORT.
MARCH 4, 1993	THIRD READING, PASS CONSIDERATION.
MARCH 5, 1993	THIRD READING, PASSED. AYES, 52; NOES, 48.
MARCH 6, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 8, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.
	FIRST READING.
MARCH 24, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 27, 1993	SECOND READING, CONCURRED IN.
MARCH 29, 1993	THIRD READING, CONCURRED IN. AYES, 30; NOES, 17.
	RETURNED TO HOUSE.

IN THE HOUSE

MARCH 30, 1993	RECEIVED FROM SENATE.
	SENT TO ENROLLING.
	REPORTED CORRECTLY ENROLLED.

House BILL NO. 421

INTRODUCED BY D Smith

McCulloch

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING COUNTY COMMISSIONERS TO LEVY A TAX FOR PUBLIC SAFETY; PROVIDING THAT THE GENERAL LIMITATION ON PROPERTY TAXES APPLIES TO THE PUBLIC SAFETY TAX; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1.** County public safety levy -- purpose. The board of county commissioners may, annually at the time of levying county taxes, fix and levy a tax on all property within the county for the purpose of providing for the public safety of citizens. The tax must be used to support county law enforcement services and to build and maintain county detention centers.

NEW SECTION. **Section 2.** Tax limitation applicable. The property tax limitation to 1986 levels under Title 15, chapter 10, part 4, applies to the county public safety levy authorized in [section 1]. The limitation is determined by the total tax levied for the county general fund. The first year a county public safety tax is levied, the public safety levy and the general fund levy may not exceed the prior year's county general fund levy. In subsequent years, any increases in the public safety levy and the general fund

levy are limited under Title 15, chapter 10, part 4.

NEW SECTION. **Section 3.** Effective date. [This act] is effective July 1, 1993.

-End-

HB 421
INTRODUCED BILL

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
HB0360	BACHINI, BOB 1/27	2/03		CONST. AMEND TO CAP COAL SEVERANCE TAX TRUST FUND AT $500 MILLION FOR 10 YRS TABLED ON 02/10 VOTE: 19-1		
HB0362	BARDANOUVE, FRANCIS 1/27	2/19		POP TAX TO FUND STATE PARKS TABLED ON 03/15 VOTE: 20-0		
HB0363	RICE, JIM 1/27	2/03		EXTEND LOCAL OPTION VEHICLE TAX FOR TWO MORE YEARS DO PASS 2/5 VOTE: 20-0		2/09
HB0378	MCCAFFREE, ED 1/28	2/04		ESTABLISH OFFICIAL GUIDE TO BE USED TO DETERMINE VALUE FOR CERTAIN EQUIPMENT TABLED ON 02/12 VOTE: 15-5		
HB0382	FOSTER, MIKE 1/28	2/04		ESTABLISH VALUE OF LIMESTONE FOR NET PROCEEDS TAXES AND RITT DO PASS 2/9 VOTE: 19-1		2/10
HB0388	GILBERT, BOB 1/28	2/04	3/18 TABLED 11-9	WATER QUALITY FEES PASS AS AMENDED 3/19 VOTE: 18-2		3/20
HB0397	MCCULLOCH, SCOTT 1/30	2/03		REVISE FEES FOR DRIVING RECORDS AND ID CARDS -- APPROP. MONEY TO JUSTICE PASS AS AMENDED 2/9 VOTE: 15-2		2/10
HB0400	WANZENRIED, DAVID 1/30	2/09		FEES FOR RADIATION SERVICES ESTABLISHED BY RULE, SPECIAL REVENUE ACCOUNT FAILED 3/12 VOTE: 10-10	APPROPRIATIONS	
HB0402	STRIZICH, BILL 1/30	2/05		REVISE TIME FOR CANCELING PERSONAL PROPERTY TAX DO PASS 2/5 VOTE: 20-0		2/06
HB0413	QUILICI, JOE 1/30	2/09		CLARIFICATION OF PSC AND CONSUMER COUNSEL TAX PASS AS AMENDED 2/10 VOTE: 19-0		2/11
HB0418	BROWN, DAVE 2/01	2/10		ALLOW PAYMENTS OF ANY AMOUNT ON DELIQUENT PROPERTY TAXES TABLED ON 02/10 VOTE: 20-0		
HB0421	STRIZICH, BILL 2/01	2/11		ALLOW COUNTY PUBLIC SAFETY PROPERTY TAX LEVY PASS AS AMENDED 2/18 VOTE: 18-1		2/23

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB GILBERT,** on February 11, 1993, at 8:15 a.m.

ROLL CALL

Members Present:

Rep. Bob Gilbert, Chairman (R)
Rep. Mike Foster, Vice Chairman (R)
Rep. Dan Harrington, Minority Vice Chairman (D)
Rep. Shiell Anderson (R)
Rep. John Bohlinger (R)
Rep. Ed Dolezal (D)
Rep. Jerry Driscoll (D)
Rep. Jim Elliott (D)
Rep. Gary Feland (R)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. Chase Hibbard (R)
Rep. Vern Keller (R)
Rep. Ed McCaffree (D)
Rep. Tom Nelson (R)
Rep. Scott Orr (R)
Rep. Bob Ream (D)
Rep. Rolph Tunby (R)

Members Excused: None

Members Absent: None

Staff Present: Lee Heiman, Legislative Council
Jill Rohyans, Committee Secretary
Louise Sullivan, Transcriber

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing:	SB 175, SB 206, HB 421, HB 475 and HB 490
Executive Action:	HB 490, Do Pass As Amended SB 175, Be Concurred In

REP. ELLIOTT asked how this would affect aviation fuel coming into Montana. **Cindy Anders, Department of Transportation**, said they have not discovered any tax evasion on aviation fuel coming into Montana, but should that happen, this bill would correct the problem.

Closing Statement by Sponsor:

REP. ORR closed.

HEARING ON HB 421

Opening Statement by Sponsor:

REP. BILL STRIZICH, House District 41, Great Falls, said HB 421 would authorize establishment of a property tax for public safety purposes. The tax would be used to support funding for all current services provided through sheriffs' departments, which are presently funded out of the general fund. This would be a stand-alone public safety levy and it would no longer have to compete for general fund monies. In comparison to other budgets funded out of the general fund, the public safety budget constitutes 37% of the total budget. A budget of that size deserves to stand alone and should have fund authority. The bill recognizes the property tax freeze under I-105 and it would not constitute additional tax dollars.

Proponents' Testimony:

Gordon Morris, Executive Director, Montana Association of Counties (MACO), expressed support for HB 421. He distributed a handout pertaining to budgetary, accounting and reporting systems for Montana cities and counties. **EXHIBIT 5**

Bill Slaughter, Sheriff, Gallatin County, Bozeman, said the safety fund currently has to compete with all other county funds and it is not a position they like to be in. He said they have no idea what percentage of the general fund public safety would require from year to year. Emergency services must depend on a zero based budget and he has no basis on which to set priorities. He said even in tight budget times the safety net for emergency services must be maintained and asked for a do pass on the bill.

Barry Michelotti, Sheriff of Cascade County and President of the Montana Sheriffs and Peace Officers Association, said the sheriff's office provides a multitude of public safety activities for citizens, including law enforcement patrol, investigation, district court bailiff, search and rescue, etc. This bill would allow the citizens of the county the opportunity to know what is being spent in their county on public safety issues. It would also ensure law enforcement agencies would not have to compete with other county functions for dollars.

Mike Mathew, Yellowstone County Commissioner, Billings, said in Yellowstone County public safety represents 52% of the general fund. He said there are about five other officials, besides the Commissioners, operating out of the general fund. The demands on public safety warrant a separate levy and fund. He said it needs to be very clearly stated that this does not circumvent I-105. Most people do not want to give money to general government for a spending increase. By separating the fund, the voters would have an opportunity to make a decision based solely on public safety.

Howard Gipe, Flathead County Commissioner, Kalispell, said because of the high increase in population during the summer season, which places extra demands on this area of county services, they need a safety levy. It would assist the Commissioners in separating the costs. He urged a do pass on the bill.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

REP. McCAFFREE referred to **Mr. Morris'** exhibit and asked for further information. **Mr. Morris** said they hoped the public safety levy would be like the cooperative extension levy; a permissive levy without a maximum cap and it would be subject to Commissioner determination as to what level they would tax.

REP. McCAFFREE asked if this would reduce the money to other programs in the county. **Mr. Morris** said that was possible but it would have to be done within the tax liability limits determined for the county general fund and they could not exceed those limits. It is much more difficult to budget effectively when there is a fixed amount of money.

In answer to a question from **REP. DRISCOLL** regarding "build and maintain county detention centers," **Mr. Mathews** said the bond issue for the Yellowstone County detention center was a voted bond issue. Any voted bond issue would automatically be outside this levy. It would be a separate levy for that bond issue and voted bond issues are always outside the levy.

Mr. Morris said the debt service limitation for voted bond issues are already at the maximum $500,000. A jail could not be built anywhere in the state for that amount. It would be impossible to build a jail under that provision of the law. If this language causes concern he said he would be agreeable to striking "build" and leave "maintain". He assured **REP. DRISCOLL** that a jail would never be built under the public safety levy.

REP. REAM asked **Mr. Mathews** if other elements of local government were included in their questionnaire regarding public safety. **Mr. Mathews** said there was not a question about general government services, but they did include parks and economic development along with public safety. The people indicated they would pay additional taxes for those three areas.

Closing Statement By Sponsor:

REP. STRIZICH said this is an area of government that people feel is important and placing a priority on public safety would be in keeping with public sentiment. He said there is not a county general fund with revenue available to build a new jail, and said if that was troublesome to some, the Committee might want to delete that from the bill.

HEARING ON SB 175

Opening Statement By Sponsor:

SEN. DEL GAGE, Senate District 5, Cut Bank, said the bill was the result of a business in Montana that produces travertine for a number of years not understanding that they were supposed to be paying net proceeds tax. They suddenly received a large bill from the Department of Revenue (DOR) for back net proceeds taxes. In the last special session the Legislature suspended the tax laws on them for a two-year period. **SEN. GAGE** said he had volunteered to work during the interim to propose a bill this session. He said the indication was they usually sell around 300 ton and it was very difficult for them to determine net proceeds because they have production other than travertine. The travertine has to be put into condition for sale and the net proceeds tax is based upon the product that comes out of the ground. He thought the best way to handle this was to include an exemption in the law for the first 1,000 tons of travertine. If, at some time in the future, someone gets to the point of being a sizeable producer, they would then have to determine the net proceeds and be taxed. He said it was a small nuisance tax with regard to this business and only affects one taxpayer.

Proponents' Testimony: None.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

REP. FOSTER asked why the Legislature doesn't just completely exempt this producer as they only produce about 1,000 tons per year. He asked **SEN. GAGE** if he had any information about the likelihood of another travertine producer beginning operation in

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL DATE 2/11/93

NAME	PRESENT	ABSENT	EXCUSED
REP. GILBERT, CHAIRMAN	✓		
REP. FOSTER	✓		
REP. HARRINGTON	✓		
REP. ANDERSON	✓		
REP. BOHLINGER	✓		
REP. DOLEZAL	✓		
REP. DRISCOLL	✓		
REP. ELLIOTT	✓		
REP. FELAND	✓		
REP. HANSON	✓		
REP. HARPER	✓		
REP. HIBBARD	✓		
REP. KELLER	✓		
REP. McCAFFREE	✓		
REP. McCARTHY	✓		
REP. NELSON	✓		
REP. ORR	✓		
REP. RANEY	✓		
REP. REAM	✓		
REP. TUNBY	✓		

EXHIBIT 5
DATE 2/11/93
HB 421

EXHIBIT 1

BUDGETARY, ACCOUNTING AND REPORTING SYSTEM (BARS)
FOR MONTANA CITIES AND COUNTIES

FUND CLASSIFICATION

Fund Code

1000 General Fund - This fund accounts for all financial transactions not properly accounted for in another fund. The general fund is created and maintained to finance the general, overall functions of a governmental unit, such as the general government operations, law enforcement, fire protection, public works, administrative and financial support services, and judicial activities.

2000 *Special Revenue Funds - The funds are established to account for resources allocated by law, contractual agreement, or administrative regulations for specific purposes or activities. A special revenue fund normally derives its revenue from general property taxes, grants, or shared revenue from another government.

It should be pointed out that as a general rule, if most of the revenues of a program are generated by property or non-property tax revenues, then the program should be accounted for as a Special Revenue Fund. Should the program be financed predominantly or entirely by user charges, the accounting treatment would indicate the use of an Enterprise Fund.

In the absence of legal provisions to the contrary, Special Revenue Funds are to use the same basis of accounting as is used in the General Fund. For example, if the modified accrual basis is used for the General Fund, then it should also be used in all Special Revenue Funds. Examples of revenues and expenditures normally accounted for in Special Revenue Funds are Revenue Sharing, Gas Tax Apportionment, B.O.R., and Crime Control.

2100 Local Sources

2110	Road	2210	Parks
2120	Poor	2220	Library
2130	Bridge	2230	Ambulance
2140	Weed Control	2240	Cemetery
2150	Predatory Animal Control	2250	Planning
2160	County Fair	2260	Open
2170	Airport	2655	Local Govt Study Comm.
2180	District Court	2270	Health

*2170	Airport	2655	Local Govt Study Comm.
2180	District Court	2270	Health
2190	Open	2275	Hard Rock Mining Impact
2200	Mosquito Control	2280	Senior Citizen
2290	Extension Services	2360	Museum
2300	SID Revolving	2370	Employer Contributions
2310	Solid Conservation	2380	Policy Training
2320	Open	2381	Drug Forfeiture
2330	Rodents	2382	Search and Rescue
2340	Judgments	2383	Absentee Election
2350	Alcohol Rehabilitation		

* NOTE Counties have the option of using a 55-mill all-purpose levy. The all-purpose levy may not exceed the lesser of 55 mills or the total number of mills levied in the prior year, as certified by the Department of Revenue. Establishes permissible use of such revenue. A county may adopt such a levy by resolution, which shall be in effect for the ensuing fiscal year; the county may abandon the method in succeeding fiscal years. Any statutory levy not included in the 55-mill levy may be levied in addition to this levy. Levies included in the 55-mill levy are the general fund, bridge fund, recreation (7-16-101), fair, weed, insect/pest, poor and developmental disabilities (6-6-2521 through 6-6-2525 MCA.)

SB 175
SB 206
HB 421
HB 475
HB 490

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Natural Resources COMMITTEE BILL NO. ~~SB~~

DATE 2/11/03 SPONSOR(S) GAGE, BRUSKI-MAUS, STRIZICH, BROOKE, ORT

PLEASE PRINT **PLEASE PRINT** **PLEASE PRINT**

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Gordon Morris	MACo	HB421	
Barry Michelotti	Montana Sheriff's and Peace officers Assoc	HB 421	
Bill Slaughter	Mont. Sheriff & Peace offic Assoc	HB/421	
Dona Abelin	N. Montana Oil & Gas Assoc	SB/206	
			H.B. 475
Don Byrd	MT. Assoc of County Clerk & Recorders		
Cindy Anders	MDT	HB490	
Mike Mathew	Yellowstone Co	HB421	
Kathy Paterni	Missoula Child & Family Res. Co.	HB 475	
Edward Hor	Flathead Commission	HB 421	
Celle Pohle	Mt Assessors' Ass -		
Honeymead L. Tinfields	Self	HB475	
Jeanne Kemmis	MT Council for Families	"	
Glen Henderson	Clerk & Recorder Glen Co.	HB 475	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB GILBERT**, on February 18, 1993, at 8:15 a.m.

ROLL CALL

Members Present:

Rep. Bob Gilbert, Chairman (R)
Rep. Mike Foster, Vice Chairman (R)
Rep. Dan Harrington, Minority Vice Chairman (D)
Rep. Shiell Anderson (R)
Rep. John Bohlinger (R)
Rep. Ed Dolezal (D)
Rep. Jerry Driscoll (D)
Rep. Jim Elliott (D)
Rep. Gary Feland (R)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. Chase Hibbard (R)
Rep. Vern Keller (R)
Rep. Ed McCaffree (D)
Rep. Bea McCarthy (D)
Rep. Scott Orr (R)
Rep. Bob Raney (D)
Rep. Bob Ream (D)
Rep. Rolph Tunby (R)

Members Excused: Rep. Nelson

Members Absent: None

Staff Present: Lee Heiman, Legislative Council
Jill Rohyans, Committee Secretary
Louise Sullivan, Transcriber

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing:	HB 591
Executive Action:	HB 421, Do Pass As Amended
	HB 444, Tabled
	HB 495, Do Pass As Amended
	HB 452, Do Not Pass As Amended
	HB 519, Do Pass
	HB 539, Do Pass As Amended
	HB 557, Tabled

Closing Statement by Sponsor:

REP. WALLIN said when the original accommodations tax was first proposed there were many statements made that it would drive people away from Montana. Now the very people that have benefited from that tax say this increase will drive people away. He said it was not fair that the cities get nothing for providing police and fire protection and all the required services. Is $1 to $1.50 per night be too much to pay for a guarantee of safety? He said a 3% increase in the tax benefitting those who provide the services is a very minimal charge. He urged passage of the bill.

EXECUTIVE ACTION ON HB 421

Motion/Vote: **REP. REAM MOVED HB 421 DO PASS.**

Discussion: **REP. FOSTER** expressed concern that it would be a first come/first served approach and said he didn't like the bill.

CHAIRMAN GILBERT said he recalled **REP. DRISCOLL** had some concerns that they might use the earmarked fund to build and maintain their detention centers.

Motion: **REP. HARRINGTON** moved adoption of the amendment, page 1, line 15. **EXHIBIT 10.** Motion carried unanimously.

REP. McCAFFREE said there is a 25 mill limit on the general fund that funds the Clerk and Recorder, the Treasurer, and other local government entities. This bill proposes to create an earmarked safety fund within the 25 mill general fund and would be deducted from the general fund budget.

REP. FOSTER asked if a county has budget problems, does the bill indicate the law enforcement budget could not be touched and cuts to be made would have to be made in everything else. **REP. McCAFFREE** said every budget session the commissioners would set those budgets. It would also allow commissioners to vote for special mill levies for a specific purpose. That money would then be put into that special budget.

REP. RANEY asked **REP. McCAFFREE** if is was mainly a bookkeeping procedure for local government. **REP. McCAFFREE** responded that it only allows them to set aside money for law enforcement within the general fund. He said he thought the purpose behind it was so the voters would vote for law enforcement when they will not vote for a general levy.

CHAIRMAN GILBERT said the bill just sets up a special levy assignment for public safety and it takes it out of the general fund. Since this is the largest portion of the general fund, there were reductions made in that fund in order to fund other county entities Under this proposal, if the general fund runs short, at least they can fund public safety.

Motion/Vote: **REP. REAM MOVED HB 421 DO PASS AS AMENDED.** Motion carried 18-1 with **REP. ANDERSON** voting no and **REP. NELSON** absent.

EXECUTIVE ACTION ON HB 444

Motion/Vote: **REP. HARRINGTON MOVED HB 444 DO PASS.**

Discussion: **REP. RANEY** said if we remove this money and put it into the general flow of government, the loss of interest over the 11 years would be the equivalent of what is being taken out of the trust fund. Times in Montana are tough, but not so touch that we have to do this.

REP. HARRINGTON said there will be over $30 million cut out of K-12 and over $20 million out of the university system. He said we talk about future generations but right now we have serious problems and some of this could help solve those problems. He said some of the things the Legislature will be doing will be very disastrous as far as education is concerned.

REP. HARPER said after talking to the bond people there was no question in his mind that this would endanger Montana's bond rating, might endanger Montana's financial stability, and would impact every one of the programs that depend on this flow into the trust fund. He said the bill does not make good fiscal sense.

Motion/Vote: **REP. ELLIOTT MOVED A SUBSTITUTION MOTION TO TABLE HB 444.** Motion carried 17-2 with **REPS. McCARTHY and HARRINGTON** voting no.

EXECUTIVE ACTION ON HB 495

Motion: **REP. ELLIOTT MOVED HB 495 DO PASS.**

Motion: **REP. HARRINGTON** moved adoption of the Department of Revenue amendments. **EXHIBIT 11**

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL DATE 2/18/93

NAME	PRESENT	ABSENT	EXCUSED
REP. GILBERT, CHAIRMAN	✓		
REP. FOSTER	✓		
REP. HARRINGTON	✓		
REP. ANDERSON	✓		
REP. BOHLINGER	✓		
REP. DOLEZAL	✓		
REP. DRISCOLL	✓		
REP. ELLIOTT	✓		
REP. FELAND	✓		
REP. HANSON	✓		
REP. HARPER	✓		
REP. HIBBARD	✓		
REP. KELLER	✓		
REP. McCAFFREE	✓		
REP. McCARTHY	✓		
REP. NELSON			✓
REP. ORR	✓		
REP. RANEY	✓		
REP. REAM	✓		
REP. TUNBY	✓		

HOUSE STANDING COMMITTEE REPORT

February 18, 1993

Mr. Speaker: We, the committee on Taxation report that House Bill 421 (first reading copy -- white) do pass as amended .

Signed: Bob Gilbert
Bob Gilbert, Chair

And, that such amendments read:

1. Page 1, line 15.
Strike: "build and"

Committee Vote:
Yes 11, No 1.

401434SC.Hss

EXHIBIT 10
DATE 2/18/93
HB 421

Amendments to House Bill No. 421
First Reading Copy

For the Committee on Taxation

Prepared by Lee Heiman
February 17, 1993

1. Page 1, line 15.
Strike: "build and"

HOUSE BILLS STATUS SHEET

LOCAL GOVERNMENT COMMITTEE

BILL NUMBER	ENTERED COMMITTEE	CONSIDERED	OUT OF COMMITTEE	BCI BE CONCURRED IN	BNCI BE NOT CONCURRED IN	BCIAA BE CONCURRED IN AS AMENDED	BNCIAA BE NOT CONCURRED IN AS AMENDED
HB 375	2-20-93	3-18-93					
		3-25-93	3-25-93			✓	
HB 414	2-20-93	3-16-93	3-16-93	✓			
HB 421	3-8-93	3-23-93	3-23-93	✓			
HB 440	2-22-93	3-9-93	3-9-93	✓			
HB 463	3-4-93	3-25-93	3-25-93	✓			
HB 479	3-2-93	3-18-93					
		3-25-93	tabled 3-25-93				
HB 481	2-20-93	3-18-93					
		3-25-93	3-25-93	✓			
HB 510	2-22-93	3-25-93	3-25-93			✓	
HB 528	2-22-93	3-25-93	3-25-93	✓			
HB 536	3-2-93	3-25-93	3-25-93	✓			

MINUTES

MONTANA SENATE
53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By Senator Kennedy, on March 23, 1993, at 3:00 p.m.

ROLL CALL

Members Present:
Sen. Ed Kennedy, Chair (D)
Sen. Sue Bartlett, Vice Chair (D)
Sen. Dorothy Eck (D)
Sen. Delwyn Gage (R)
Sen. Ethel Harding (R)
Sen. John Hertel (R)
Sen. David Rye (R)
Sen. Bernie Swift (R)
Sen. Eleanor Vaughn (D)
Sen. Mignon Waterman (D)
Sen. Jeff Weldon (D)

Members Excused: None.

Members Absent: None.

Staff Present: Connie Erickson, Legislative Council
Rosalyn Cooperman, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing: HB 128, HB 342, HB 344, HB 421, HB 644
Executive Action: HB 342, HB 344, HB 421

HEARING ON HB 421

Opening Statement by Sponsor:

Representative Bill Strizich, House District 41, stated HB 421 would authorize the establishment of a property tax levy for public safety purposes. He said this tax would be used to support funding for all services currently provided by the county sheriff's department and funded by the county general fund. Representative Strizich stated HB 421 would create a "stand-alone public safety levy" that would no longer have to compete with other programs for scarce dollars. According to Representative

Strizich, statewide county general fund budgets are $105 million, 37 percent of which is spent on public safety programs. He said the establishment of a separate levy would allow voters to determine whether the county is spending too much or too little for public safety in comparison to other programs. Representative Strizich added that the public safety levy would be required to fall within the I-105 limit and would not constitute a property tax increase.

Proponents' Testimony:

Mr. Gordon Morris, Montana Association of Counties, stated his support for HB 421. He said funding for public safety should be equal in status with all other specialized funds.

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

Senator Gage asked Mr. Morris how many special levies had been separated from the county general fund. Mr. Morris replied there were none comparable to the public safety levy. He added that HB 421 would not create any new taxing authority.

Senator Vaughn asked Mr. Morris if the levy for the county general fund would still be required to remain within the I-105 limit if a special levy for public safety was established. Mr. Morris replied yes and added that by establishing a special levy for public safety, the sheriff's office would not have to compete with other departments for scarce funds.

Closing by Sponsor:

Representative Strizich stated he appreciated the good hearing on HB 421. He said Senator Doherty would carry HB 421 on the Senate floor in the event it received a Do Pass.

EXECUTIVE ACTION ON HB 344

Motion/Vote:

Senator Eck moved HB 344 BE CONCURRED IN. MOTION CARRIED UNANIMOUSLY. Senator Kennedy will carry HB 344 on the Senate floor.

EXECUTIVE ACTION ON HB 421

Motion:

Senator Vaughn moved HB 421 BE CONCURRED IN.

Discussion:

Senator Eck asked for an explanation of HB 421 as she was not present during its hearing. Senator Rye replied HB 421 would give local governments more flexibility in distributing revenue.

Senator Hertel asked if the creation of a specific levy for public safety would create additional competition between county agencies for the remaining revenue.

Senator Eck asked Mr. Morris if any counties still used an all-purpose levy to fund county programs. Mr. Morris replied that Powder River County is the only county which still uses an all-purpose levy. He noted HB 421 would establish the same levy authority for public safety purposes as has been given to other areas including county fairs, museums, district courts and roads. Mr. Morris stated that in creating a specific levy for public safety programs, county offices would not be competing unfairly for those funds.

Senator Hertel asked Mr. Morris if other programs would receive less funding if the public safety levy was separated from the general county fund. Mr. Morris replied that, under I-105, it would be possible that some county programs could receive less funding. Mr. Morris stated that, until a few years ago, district courts were funded wholly from the county general fund. He said counties were given specific district court levy authority as is now being requested for public safety programs. Mr. Morris noted this authority would be discretionary.

Senator Bartlett asked Mr. Morris if the public safety levy would have a limit in the event I-105 was discontinued. Mr. Morris replied HB 421 is requesting permissive levy authority as opposed to creating a levy with a statutory maximum. He said this authority currently exists for a number of county programs.

ROLL CALL

SENATE COMMITTEE Local Government DATE 3-23-93

NAME	PRESENT	ABSENT	EXCUSED
Senator John "Ed" Kennedy	✓		
Senator Sue Bartlett	✓		
Senator Dorothy Eck	✓		
Senator Delwyn Gage	✓		
Senator Ethel Harding	✓		
Senator John Hertel	✓		
Senator David Rye	✓		
Senator Bernie Swift	✓		
Senator Mignon Waterman	✓		
Senator Jeff Weldon	✓		
Senator Eleanor Vaughn	✓		

FC8

Attach to each day's minutes

SENATE STANDING COMMITTEE REPORT

March 24, 1993

MR. PRESIDENT:

We, your committee on Local Government having had under consideration House Bill No. 421 (first reading copy -- blue), respectfully report that House Bill No. 421 be concurred in.

Signed: John Ed Kennedy Jr.
Senator John "Ed" Kennedy, Jr., Chair

FM/ Amd. Coord.
___ Sec. of Senate

Senator Doherty
Senator Carrying Bill

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HOUSE BILL NO. 421

INTRODUCED BY STRIZICH, DOHERTY, MCCULLOCH

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING COUNTY COMMISSIONERS TO LEVY A TAX FOR PUBLIC SAFETY; PROVIDING THAT THE GENERAL LIMITATION ON PROPERTY TAXES APPLIES TO THE PUBLIC SAFETY TAX; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1.** County public safety levy -- purpose. The board of county commissioners may, annually at the time of levying county taxes, fix and levy a tax on all property within the county for the purpose of providing for the public safety of citizens. The tax must be used to support county law enforcement services and to ~~build and~~ maintain county detention centers.

NEW SECTION. **Section 2.** Tax limitation applicable. The property tax limitation to 1986 levels under Title 15, chapter 10, part 4, applies to the county public safety levy authorized in [section 1]. The limitation is determined by the total tax levied for the county general fund. The first year a county public safety tax is levied, the public safety levy and the general fund levy may not exceed the prior year's county general fund levy. In subsequent years, any increases in the public safety levy and the general fund levy are limited under Title 15, chapter 10, part 4.

NEW SECTION. **Section 3.** Effective date. [This act] is effective July 1, 1993.

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